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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:

BAUR et al.

Serial No.: 08/627,386

Group Art Unit: 2871

Filed: April 4, 1996

For: ELECTROOPTICAL LIQUID CRYSTAL SWITCHING ELEMENT

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OFFICE OF PETITIONS

**REQUEST FOR RECONSIDERATION OF DECISION ON
PETITION FOR PATENT TERM EXTENSION**

Sir:

Facts Overlooked and/or Misconstrued

In the decision of April 17, 2006 ("Decision"), the PTO agrees that the timing of filing of this application makes it one which "may be eligible for patent term extension under 35 U.S.C. §154." The petition nevertheless is dismissed. This action is improper because, it is respectfully submitted, the PTO:

1) has failed to recognize that not all terminal disclaimers remove the applicability of the extension provisions of 35 U.S.C. §154. The only terminal disclaimers effective to do so are those which are:

due to the issue of another patent claiming subject matter that is not patentably distinct from that under appellate review.

There is no discussion in the Decision of statutory interpretation of the quoted language. The PTO merely parrots the phrase, in essence, holding that the mere existence of any terminal disclaimer satisfies the statutory provision, thereby precluding the applicability of the term extension provisions.

2) has misconstrued applicants arguments. It has not been argued that the quoted exclusionary language from §154 “only applies to situations in which the two-way test applies.” Rather, applicants have relied on “two-way distinctness” caselaw only in supporting its interpretation of the statutory language. That interpretation has been ignored in the Decision.

The PTO’s Apparent Statutory Interpretation is Incorrect

The PTO never addresses the meaning of the quoted language from §154. It merely restates the language several times, always in the context of using the exact statutory language to justify its denial of a patent term extension via its dismissal of the petition. Apparently, given the lack of discussion of the meaning of the quoted phrase, the PTO’s current position of record seems to be that the existence of any kind of terminal disclaimer, filed for any reason whatsoever, triggers the exclusionary sentence of §154. However, this is not what the language states.

The statute sentence, by its very clear terms, to the contrary, does not relate to any and all kinds of terminal disclaimers. Rather, it applies only to those which exist “due to the issue of another patent claiming subject matter that is not patentably distinct from that under appellate review.” The PTO has ignored the “due to” language.

The Proper Statutory Interpretation

Which kind of terminal disclaimers are “due to” the issue of another patent claiming subject matter that is not patentably distinct from that under appellate review? It is to this question that the substance of applicant’s petition was directed. That substance showed that the common type of terminal disclaimer and, indeed, the terminal disclaimer which was filed in this case, are not “due to” the issue of another patent claiming subject matter that is not patentably distinct from that under appellate review; rather, the terminal disclaimer in this case; and, indeed, the vast majority of cases in the experience of the undersigned, are issued “due to” just the opposite situation, i.e., “due to” the claims of given application being alleged by the PTO as being “not patentably distinct from that” claimed in the cited patent.

In the knowledge of the undersigned, the only scenario involving terminal disclaimers of the type described in 35 U.S.C. §154 arises where the “two-way” test applies. Applicants never stated that the statute refers to the two-way scenario or test. The argument merely

addressed the fact that there was one Federal Circuit-recognized scenario in which the statutory language applied and that that scenario was not applicable to the current circumstances. There may be other scenarios for applicability of this language that the PTO is aware of, but none of these, if any, have been shown to apply to the current circumstances.

Basis for the Terminal Disclaimer in this Application

The terminal disclaimer in this case was “due to” an allegation by the examiner that the current claims were not patentably distinct over the claims of the patent and not vice versa as required by the statute. The examiner did not allege that the cited patent for the terminal disclaimer was “claiming subject matter that is not patentably distinct from that under appellate review.”

The examiner’s reasons for requiring a terminal disclaimer were stated in the office action of November 30, 1998, as the PTO has recognized in its decision. This reason was:

The subject matter claimed in the instant application is fully disclosed in the patent and is covered by the patent since the patent and the application are claiming common subject matter, as follows: an electro-optic device with liquid crystal which responds to a field substantially parallel to the surface.

The operative expression is that “the subject matter claimed in the instant application is fully disclosed in the patent and is covered by [claimed in] the patent,” i.e., the application and the patent “are claiming common subject matter.” This is a statement (as in the common situation referred to above) that the claimed subject matter of the application is not patentably distinct over the claimed subject matter of the cited patent and not the reverse. However, it is the reverse which is required by the statute, i.e., that the claims of the cited patent must be alleged to be not patentably distinct from the claims of this application and that for such reason (“due to”), the terminal disclaimer was filed. This is absolutely not the case as explained in the petition and above.

Conclusion and Request

The PTO is requested to reconsider its dismissal of the petition and:

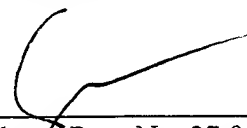
1) Recognize (a) that the proper statutory interpretation is that only a certain kind of terminal disclaimer precludes applicability of the patent term provisions of §154: as the statute states, those applicable are only “due to the issue of another patent claiming subject matter that

is not patentably distinct from that under appellate review;" and (b) that such kind of terminal disclaimer does not exist in the current application, whereupon the petition should be granted.

2) If it maintains its view that the petition should not be granted, then provide reasons for its apparent interpretation of 35 U.S.C. §154 as referring to any and all terminal disclaimers and not only those filed "due to" an allegation that a patent itself is not patentably distinct from the claims of an application.

3) If it maintains its view that the petition should not be granted, then not dismiss the petition, but rather treat its substance based on the analysis given above and in the petition itself, and deny it, stating whether the decision is a final agency determination so that this matter can be ripe for appellate review.

Respectfully submitted,



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